

Message Text

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ACTION EUR-12

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TAGS: PFOR, EEC, UN, AID

SUBJECT: EC TO GIVE SECOND DONATION OF \$00 MILLION TO MSA'S

REFS: A) EC BRUSSELS 9499 (1974)

B) EC BRUSSELS 8749 (1974) C) A-343 (1974) D) STATE 13181

1. BEGIN SUMMARY. THE EC COUNCIL (DEVELOPMENT MINISTERS) DECIDED ON JANUARY 22 TO DONATE AN ADDITIONAL \$00 MILLION UNDER THE UN EMERGENCY OPERATION. THE MINISTERS ALSO AGREED TO COUNT THE BILATERAL CONTRIBUTIONS OF MEMBER STATES IN THE COMMUNITY'S TOTAL, PROVIDED THESE MEET UN CRITERIA, IN ORDER TO BRING THE AGGREGATE FIGURE TO MORE THAN \$500 MILLION. IN ADDITION, THE MINISTERS HELD A LOND DISCUSSION ON THE COMMISSION'S PROPOSED AID "FRESCO" AND DISCUSSED THE RESULTS OF THE WORLD FOOD CONFERENCE HELD IN ROME. IRISH FOREIGN MINISTER FITZGERALD'S CHAIRMANSHIP RECIEVED FAVORABLE COMMENTS. THE NEXT DEVELOPMENT MINISTERS MEETING IS SCHEDULED FOR MARCH 20. END SUMMARY.

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2. UN EMERGENCY OPERATION: AFTER A TOUGH BARGAINING SESSION LASTING UNTIL EARLY THURSDAY MORNING, THE EC AGREED TO COMMIT IMMEDIATELY AN ADDITIONAL \$100 MILLION UNDER THE UN EMERGENCY OPERATION FOR THE MSA'S (REF. A). ONE-THIRD OF THIS SUM WILL GO DIRECTLY TO THE EMERGENCY OPERATION ADMINISTERED BY RAUL PREBISCH AND TWO-THIRDS WILL BE DISTRIBUTED DIRECTLY TO THE MSA'S BY THE EC COMMISSION. THE MINISTERS ALSO AGREED THAT (A) INCREASES IN COMMUNITY FOOD AID TO THE MSA'S (APPROXIMATELY \$48 MILLION) AND (B) BILATERAL CONTRIBUTIONS MADE BY MEMBER STATES SHOULD BE COUNTED TOWARD MAKING THE COMMUNITY'S GOAL OF \$500 MILLION. IT IS ANTICIPATED THAT BY JUNE 1, 1977, THESE BILATERAL CONTRIBUTIONS WILL BE IN EXCESS OF \$220 MILLION. IF THESE BILATERAL CONTRIBUTIONS ARE NOT SUFFICIENT TO REACH THE EC'S \$500 MILLION TARGET, OR IF SOME OF THESE CONTRIBUTIONS FAIL TO MEET THE UN'S CRITERIA FOR THE EMERGENCY OPERATION, THE EC COMMISSION WILL FILL THE GAP BY MEANS OF A SUPPLEMENTAL BUDGET. THUS, THE COMMUNITY FEELS THAT ITS MEMBER STATES HAVE MET THEIR PLEDGE TO CONTRIBUTE \$500 MILLION IN RESPONSE TO THE SECRETARY GENERAL'S REQUEST.

3. COMMENT. IT IS CLEAR THAT THE COMMUNITY INTENDS TO PUT AS FAVORABLE A LIGHT AS POSSIBLE ON ITS EFFORTS TO ASSIST THE MSA'S. HOWEVER, PRIOR TO THIS MEETING BILATERAL CONTRIBUTIONS WERE TO BE MADE BY INDIVIDUAL EC MEMBER STATES, INDEPENDENT OF THEIR SHARE OF THE COMMUNITY'S \$500 MILLION COMMITMENT. INCLUSION OF BILATERAL CONTRIBUTIONS (AS OF NOW FROM THE UK, THE NETHERLANDS AND DENMARK) TO THE UNEO IN THE EC'S ORIGINAL COMMITMENT OF \$500 MILLION WILL HAVE THE EFFECT OF REDUCING THE TOTAL AMOUNT OF AID MADE AVAILABLE TO THE MSA'S UNDER UNEO CRITERIA BY THE EC.

4. WE UNDERSTAND THAT DURING THE PLENARY THERE WAS SOME FAIRLY POINTED CRITICISM OF THE U.S. CONTRIBUTION IN RELATION TO THE EC CONTRIBUTION, ALTHOUGH THIS GENERALLY HAS NOT APPEARED IN THE PRESS. HOWEVER, IN A RESTRICTED SESSION FOLLOWING THE PLENARY,

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CHEYSSON CONVEYED TO THE MINISTERS THE INFORMATION IN REF. C WHICH PROVED BOTH USEFUL AND TIMELY. CHEYSSON HAS EXPRESSED HIS APPRECIATION TO AMBASSADOR GREENWALD. END COMMENT

5. COMMISSION "FRESCO" ON DEVELOPMENT AID: THE MINISTERS HELD A DISCUSSION LASTING OVER THREE HOURS ON THE COMMISSION'S PROPOSED "FRESCO" FOR DEVELOPMENT

AID (REFS. B AND C) WHICH CONTACTS IN THE COMMISSION AND UK PERM. DEL. SAY WAS GENERALLY WELL RECEIVED. AS A RESULT OF THIS DISCUSSION, AND TAKING INTO ACCOUNT THE VIEWS EXPRESSED BY THE VARIOUS DELEGATIONS, THE COMMISSION HAS BEEN INSTRUCTED TO PREPARE A NEW DOCUMENT TO INCLUDE SPECIFIC PROPOSALS FOR EC AID TO NON-ASSOCIATED COUNTRIES. THIS WILL NOT BE AN EASY TASK, AS THE POSITIONS OF THE MEMBER STATES DIFFER CONSIDERABLY, BOTH IN SUBSTANCE AND IN EMPHASIS. THE BRITISH CONTINUE TO INSIST THAT THERE BE A BALANCE BETWEEN AID TO ACP'S AND TO THE NON-ASSOCIATED COUNTRIES AND REPORTEDLY POINTED OUT THAT A SIGNIFICANT INCREASE IN AID TO NON-ASSOCIATED COUNTRIES WAS ONE OF THE OBJECTIVES OF RENEGOTIATION. THE GERMAN MINISTER ARGUED THAT WHILE THE COMMUNITY SHOULD NOT LOSE THE OPPORTUNITY TO INCREASE ITS STATURE VIS-A-VIS THE OUTSIDE WORLD BY MEANS OF AN EFFECTIVE EC DEVELOPMENT PROGRAM, IT WAS IMPORTANT THAT THE COMMUNITY'S INTEGRATION IN OTHER FIELDS PARALLEL ITS AID EFFORTS. THE DUTCH, BELGIANS AND BRITISH TOOK ISSUE WITH THIS. FRANCE, WHICH WAS NOT REPRESENTED AT MINISTERIAL LEVEL, SAID THAT THERE MUST BE NO AUTOMATICITY IN THE OPERATION OF THE COMMISSION'S PROPOSED CRITERIA FOR AID. THE BRITISH AND GERMANS SUPPORTED THE FRENCH ARGUMENT. THE DUTCH FAVORED CONSULTATION WITH PROSPECTIVE RECIPIENTS BEFORE ANY CRITERIA WERE ADOPTED.

6. WORLD FOOD CONFERENCE: THE COUNCIL MINISTERS BRIEFLY DISCUSSED THE RESULTS OF THE WORLD FOOD CONFERENCE AND AGREED TO CONSIDER THE SUBJECT MORE FULLY AT THE NEXT MEETING, WHICH IS TENTATIVELY SCHEDULED FOR MARCH 20. THE BRITISH DEVELOPMENT LIMITED OFFICIAL USE

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MINISTER, RS. HART, REPORTEDLY DEMONSTRATED A MORE FLEXIBLE UK POSTURE ON FOOD AID. SHE INDICATED INFORMALLY THAT SHE STILL HAD RESERVATIONS ABOUT THE EFFICACY OF FOOD AID AS A LONG-TERM DEVELOPMENT TOOL, BUT THAT THE NEED WAS NOW SO GREAT IN CERTAIN PARTS OF THE WORLD, THAT EVERY AVAILABLE MEANS MUST BE PRESSED INTO SERVICE. GREENWALD

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